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### ATLAS STEELS LIMITED SALES HIGHEST IN COMPANY'S HISTORY

In making public the Company's Annual Report, Mr. H. George De Young, President of Atlas Steels Limited stated that consolidated sales for the year 1961 were \$57,883,187, highest in the history of the Company. Consolidated earnings amounted to \$3,428,335, equal to 2.45 per share of common stock. This figure does not include the \$500,000 income derived from an agreement with Hindustan Steel Limited mentioned later in this report. This amount increases the total net earnings to \$3,928,335, or 2.81 per share. This compares with 1960 consolidated earnings of \$3,015,415 and 2.16 per share.

Dividends of \$1.25 per share were paid during the year to shareholders which numbered 7,912 at December 31, 1961. Working capital at \$21,781,550 is \$2,217,182 higher than in 1960. Under an offering of rights to shareholders 229,715 shares were issued for \$4,403,468 resulting in a total of 1,397,063 shares outstanding on December 31, 1961. The bond and debenture debt, originally amounting to \$8,000,000 now standing at \$271,000 has been called for redemption April 13, 1962.

Capital expenditures for 1961 amounted to \$5,231,677 compared to \$1,680,166 in 1960. Two major production units were installed at Welland during the year: a Bright Annealing unit costing \$800,000





went into operation towards the end of the year, and a Vacuum Degassing unit installed in the Melting Department went into operation in mid-December.

Research and Development continued its important role at Atlas in 1961. Among the 30 projects in process: a study concerning additions of uranium to Atlas stainless, mining and plain carbon steels; processes to allow the use of iron ore in place of scrap for electric furnace melting were studied while a new die steel, new mining steel, and a new steel for the die casting industry underwent field tests.

The Company's marketing group concentrated on the development of new markets for Atlas stainless flat rolled products with emphasis on the commercial and domestic architectural and automotive fields of application.

In answer to world competition for the market for stainless steels, the Company decided in 1961 to proceed with the construction of a mill for the production of 48" wide stainless steel sheet and strip. This plant, representing an investment of 40 million dollars will employ the most modern production concepts and will, when completed, be second to none in the world.

The year saw the completion of Atlas Titanium Limited's new research centre at Welland. Production of special vacuum melted heats was started using their new consumable electrode vacuum arc melting furnace, the only one of its kind in Canada.

A new subsidiary, Atlas Steels (Australia) Pty. Ltd., was incorporated in Melbourne to finish and market drawn and ground high speed and stainless bar and wire supplied in semi-finished form from Welland. Completion of the plant and warehouse is



scheduled for early 1962.

A technical assistance and training services contract was signed in September with Hindustan Steel Limited, an Indian Government corporation establishing a specialty steel mill at Durgapur, near Calcutta.

Mr. L. A. Lapointe, Q.C., was elected to the Board of Directors at the annual meeting of shareholders held in April 1961. He is President of Miron Construction Limited and a Director of the Toronto-Dominion Bank, and other companies.

